UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

CASE NO. 11-15463-shl

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In re: Chapter 11

Case No. 11-15463

AMR CORPORATION, ET AL,

Debtors.

- - - - - - - - - - - - - - - - x

United States Bankruptcy Court

One Bowling Green

New York, New York

B E F O R E:

HON. SEAN H. LANE

U.S. BANKRUPTCY JUDGE

Re Doc. #11941 (Modified Bench Ruling) Motion to Allow Late Filed Claim to be entered as timely Filed by Gary Bryant

Re Doc. #11840 (Modified Bench Ruling) Objection of Debtors Pursuant to 11 U.S.C. Section 502(b) and Fed. R. Bankr. P. 3007 to Proof of Claim Nos. 13478, 13788 and 13865 filed by Lawrence

M. Meadows

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MODIFIED BENCH RULING AS TO BOTH (I) GARY BRYANT AND (II) LAWRENCE M. MEADOWS

(I) GARY BRYANT

Before the Court is the motion of Gary Bryant for an order deeming his proof of claim timely filed pursuant to Rule 9006(b)(1) of the Federal Rules of Bankruptcy Procedure and Section 105(a) of the Bankruptcy Code. His motion is at ECF No. 11941. He asserts that he did not receive adequate notice of the bar date setting the deadline for filing claims in the above Chapter 11 cases, and therefore, the Court should deem his proof of claim timely filed.

In the alternative, he maintains that he meets the excusable neglect standard to permit a late filed claim. For the reasons that follow, the motion will be denied.

The background of this case is fairly simple. Debtors filed the voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code on November 29, 2011. On March 30, 2012, the debtors filed the motion seeking to establish a deadline for filing proofs of claim. ECF No. 2086.

On May 4, 2012, the Court entered the bar date order, which established July 16, 2012, as the bar date in the debtors' cases. ECF No. 2609.

On May 18, 2012, the debtors' claims and noticing agent served, by first class mail, the notice of deadlines for filing proofs of claim, with an attached proof of claim dated May 23, 2012. ECF 2888.

On May 18, 2012, the bar date notice was mailed to

Mr. Bryant at 17484 Southwest 34th Court, Miramar, Florida 33029-5588, and it was not returned as undeliverable. ECF No. 3215.

On May 31, 2012, the debtors also had the bar date notice published in ten publications, including the Wall Street Journal, the New York Times, USA Today, and the Miami Herald. ECF No. 3215.

On October 21, 2013, the bankruptcy court entered the confirmation order in these bankruptcy cases. The effective date of the plan was December 9, 2013. See ECF 11402.

Almost ten months after the bar date on May 8, 2013, Mr. Bryant filed suit against AMR in the Southern District of Florida, alleging that he was forced to resign from his employment with AMR on September 18, 2011, due to race discrimination and based on retaliation in violation of Title VII. Bryant v. American Airlines, 2013-cv-21667, Dkt. 30. After being served with Mr. Bryant's complaint, AMR filed a notice of suggestion of bankruptcy with the Florida court. Id. Pursuant to 11 U.S.C. Section 362(a), the Florida court stayed those proceedings.

Mr. Bryant moved to reopen the case in early January 2014. 2013-cv-2166, Dkt. 13. In March of 2014, the Florida court entered AMR's motion to dismiss, agreeing with AMR that Mr. Bryant's claims were discharged and enjoined by the plan and confirmation order, pursuant to Section 1141(d) of the

Bankruptcy Code. Id. at Dkt. 30. On April 8, 2014, the Florida court denied Mr. Bryant's motion to reopen the case and set aside the dismissal. Id. at Dkt. 32.

Mr. Bryant maintains again that he did not receive adequate notice because he was not listed as an unsecured creditor. He also relies on the fact that he was engaged in mediation with AMR as an excuse for filing a late claim.

The standard of review has been well plowed by the courts. A bar date order is an integral part in the reorganization process. See In re Best Products Corp., 140 B.R. 353, 353-57 (Bankr. S.D.N.Y. 1992). It enables the parties in interest to ascertain with reasonable promptness the identity of those making claims against the estate, and the general amount of the claims, which is a necessary step toward achieving the goal of a successful reorganization. See id.

If individual creditors were permitted to postpone indefinitely the effect of the bar date order, the institutional means for ensuring the sound administration of the bankruptcy estate would be undermined. See First Fidelity Bank, N.A., v. Hooker Inv., Inc., 937 F.2d 833, 840 (2d Cir. 1991).

So the Court turns first to the issue of whether Mr. Bryant was provided with adequate notice. The constitutional standard for due process requires that known creditors in a bankruptcy case receive actual notice of the bar date. See New

York v. N.Y., N.H. & H.R. CO., 344 U.S. 293, 296-97 (1953) (finding that known creditors must be afforded notice reasonably calculated under all the circumstances to apprise them of the pendency of the bar date.). In re R.H. Macy & Co., 161 B.R. 355, 359 (Bankr. S.D.N.Y.) (citing Mullane v. Cent. Hanover Bank & Trust Co., 339 U.S. 306 (1950)).

Unless a creditor is given reasonable notice of the bankruptcy proceeding and relevant bar dates, its claim cannot be constitutional discharged. See Grant v. U.S. Home Corp., 223 B.R. 654, 658 (Bankr. S.D.N.Y. 1998).

In Chapter 11, therefore, a known creditor must receive adequate notice before its claim is barred forever. See In re Best Products Corp., 140 B.R. at 357. A bar date is strictly enforced except when a known creditor is not listed on the schedules and fails to receive actual notice of the bar date. Id. at 358.

It is also well settled law that proof that a letter was properly addressed and placed in the mail system creates a presumption that the letter was received in the usual time by the addressee. See Hagner v. U.S., 285 U.S. 427, 430 (1932) (demonstrating how old this so-called “mail box rule” is). Thus, upon proof of mailing of a properly addressed letter, a rebuttable presumption of receipt arises. See In re R.H. Macy & Co., 161 B.R. at 359.

Federal courts in New York have held “quite

uniformly" that an affidavit of non-receipt is insufficient to rebut the presumption of receipt created by proof of mailing. See Cablevision Systems Corp. v. Malandra (In re Malandra), 206 B.R. 667, 673 (Bankr. E.D.N.Y 1997); In re R.H. Macy & Co., 161 B.R. at 360 (opining that movant's respective self-serving submissions asserting non-receipt are insufficient to rebut the presumption of receipt); see also In re Horton, 149 B.R. 49, 58 (Bankr. S.D.N.Y. 1992), (noting that affidavits of creditor's employees are merely general denials that a creditor received the notice, and therefore insufficient to rebut the presumption).

It is possible under certain circumstances to rebut the presumption of mailing. It does require, however, that testimony denying receipt be accompanied by detailed evidence to rebut the presumption, and that evidence includes things like tracking procedures to catalog the receipt of mail. See Hogarth v. N.Y. City Health & Hospice Corp., No. 97-CV-0625, 2000 WL 375242 (S.D.N.Y. Apr. 12, 2000). In Hogarth, the defense successfully rebutted the presumption that the letter was delivered by clearly establishing the use of detailed logs of incoming and outgoing mail that contained no record of the letter in question. See also In re Robinson, 228 B.R. 75, 82 (Bankr. E.D.N.Y. 1998), (ruling that "although the mere denial of receipt does not rebut the presumption, testimony denying receipt in combination with evidence of a standardized

procedure for processing mail can be sufficient to rebut the presumption.").

Courts in the Second Circuit do not take this issue lightly, given the important functions served by the bar date in bankruptcy cases. This heightened burden recognizes that if a party was permitted to defeat the presumption of receipt of notice resulting from the certificate of mailing simply by giving an affidavit to the contrary, the scheme of deadlines and bar dates under the Bankruptcy Code would come unraveled. See In re R.H. Macy & Co., 161 B.R. at 360 (quoting In re Trump Taj Mahal Assoc., 156 B.R. 928, 939 (Bankr. D.N.J. 1993)).

Applying these principles here, the debtors have submitted evidence that establishes actual notice was provided to Mr. Bryant. More specifically, the debtors provided evidence that the bar notice was mailed to Mr. Bryant and was not returned as undeliverable. Moreover, the address where Mr. Bryant was served is the same address that Mr. Bryant provided in his motion.

Mr. Bryant has not provided sufficient evidence to overcome the mailbox presumption here, including any evidence regarding the tracking of his mail. Therefore, the Court deems that the debtors have met their burden of providing Mr. Bryant with actual notice of the bar date.

It is not entirely clear why the debtors considered Mr. Bryant to be a known creditor that should receive actual

notice of the bar date. I suspect it is likely because the events that formed the basis of a Florida lawsuit in the proposed claim here, took place before the bankruptcy filing, and were likely the subject of some administrative proceeding. But in the unlikely event that one considered Mr. Bryant an unknown creditor, the notice standard would be even lower, and would be satisfied here as well.

More specifically, the debtors would have provided Mr. Bryant with adequate notice as an unknown creditor by publishing the bar date, as they did, in ten local and national publications. See In re BIG, Inc., 476 B.R. 812, 824 (Bankr. S.D.N.Y. 2012) (holding that publication in the New York Times provided adequate notice to unknown creditors).

Moving on to the excusable neglect issue, the Court notes that even assuming that actual notice of the bar date had been provided, a late filed claim is permissible if the creditor can establish excusable neglect. The standard for excusable neglect is found in Bankruptcy Rule 9006(b)(1), which provides that the Court may, for cause shown at any time in its discretion, on motion made after the expiration of a specific period, permit the late act to be done where the failure to act was the result of excusable neglect. F.R.B.P. 9006(b)(1). Under the standard, the Court cannot find, however, that the movant’s late filed claim is permissible.

The Supreme Court has observed that the term

excusable neglect, in its ordinary sense, means to give little attention to or respect to a matter, or to leave undone or unattended to, especially through carelessness. Pioneer Inv. Servs. v. Brunswick Assocs., 507 U.S. 380, 388 (1993). Pioneer is the case that is cited as the alpha and the omega on the excusable neglect standard. Neglect encompasses both simple faultless omissions to act, and more commonly, omissions caused by carelessness. Id. at 388. Whether claimant's neglect of a deadline is excusable, however, is an equitable determination. Id. at 395.

The Court should consider all the relevant circumstances, including the dangers of prejudice to the debtor, the length of the delay, and the delay's potential impact on the judicial proceedings. Id. at 395. In addition, the Court should consider the reason for the delay, including whether it was in the reasonable control of the movant, and whether the movant acted in good faith. Id. at 395.

The Second Circuit has adopted a strict standard on excusable neglect. See Asbestos Personal Injury Pl.'s v. Travelers Indemnity (In re John Manville Corp.), at 476 F.3d 118, 120-24 (2d Cir. 2007); Midland Cogeneration Venture LP v. Enron Corp. (In re Enron Corp.), 419 F.3d 115, 122 (2d Cir. 2005) (stating that the Second Circuit has taken "a hard line" in applying the Pioneer test).

As the Court in Enron noted, the equities rarely, if

ever, favor a party who fails to file within the clear dictates of a court rule, and where the rule is entirely clear, we continue to expect that a party claiming excusable neglect will, in the ordinary sense, lose under the Pioneer test. See in re Enron, 419 F.3d at 123.

Although courts consider all of the Pioneer factors, the hard-line approach focuses mainly on the reason for the delay and whether it was within the reasonable control of the claimant. Id. at 122. This is usually because the other Pioneer factors ordinarily weigh in favor of the parties seeking an extension. Id.

Focusing on the central Pioneer factor here, Mr. Bryant contends that he did not receive adequate notice because he was not listed in the Chapter 11 schedule of liabilities and was not personally notified of the bar date order. As discussed above, however, the Court has concluded that he did receive adequate notice of the bar date, based on the evidence I have before me and the mailbox presumption.

Moreover, he offers no other explanation for the delay other than the mediation in which he was involved. But as to the mediation, he points to no facts about that mediation that would excuse his failure to file a claim. And given all these facts, the reasons for delay weigh against the movant.

The Court next considers the length of the delay and its potential impact on the judicial proceedings. There is no

bright line governing when the lateness of a claim is substantial. Id. at 128. Instead courts consider the degree to which the delay might disrupt the judicial administration of a particular case. Id. Thus, the length of the delay, the complexity of the case, and the progress made in a case are all relevant considerations, but none are dispositive on their own. Id. at 128-29.

Here, the length of the delay is significant. This motion was filed more than a year-and-a-half after the Court entered the bar date order. Courts have recognized such delays as substantial. See In Re AMR Corp., 429 B.R. 660, 667 (Bankr. S.D.N.Y. 2013) (finding a three-month delay to be substantial).

Furthermore, the claim here would be disruptive to the administration of the case because the debtors are well advanced in these Chapter 11 cases, having confirmed the plan and already begun to make distributions to holders of allowed claims and equity interests.

Lastly, the Court considers the danger of prejudice to the debtors if the Court allows the late filed claim. Courts have often recognized the danger of opening the floodgates to potential claimants, particularly in large cases such as these. See, e.g., In re Enron Corp., 419 F.3d at 132, n.2 (noting that courts in this and other circuits regularly cite the potential flood of similar claims as the basis for rejecting late filed claims); see also In re Dana Corp., 2007

Bankr. LEXIS 1934, at *19 (Bankr. S.D.N.Y. May 30, 2007).

Permitting this late filed claim here could help to open the floodgates to other creditors who failed to timely file their claims. That would result in disruption of the administration of these Chapter 11 cases, particularly given that the debtors have begun to make distributions.

Finally, while not raised by Mr. Bryant, the Court considers if any documents that he filed might be considered an informal proof of claim. An informal proof of claim is an equitable remedy available where a creditor fails to comply with the technical procedures for filing a proof of claim, but still took some action to preserve its interest, and put the debtors on notice of a claim. See In re M.J. Waterman & Assocs., 227 F.3d 604, 608-09 (6th Cir. 2000); see also In re Residential Capital LLC, 12-12020, 2014 WL 3057111 (Bankr. S.D.N.Y. July 7, 2014) (finding a creditor's initiation of an adversary proceeding before the bar date sufficient to qualify as an informal proof of claim); see also In re Dana Corp., 06-10354, 2008 WL 2885901, at *3 (Bankr. S.D.N.Y. July 23, 2008) (applying an informal proof of claim concept in a Chapter 11 case).

An informal proof of claim must meet certain requirements. First, it must have been timely filed with the bankruptcy court and become part of the judicial record; second, it must state the existence and nature of the debt;

third, it must state the amount of the claim against the estate; and fourth, it must evidence the creditor's intent to hold the debtors liable for the debt. See In re Enron Creditors Recovery Corp., 370 B.R. 90, 99 (Bankr. S.D.N.Y. 2007).

Courts may grant relief to a creditor that provides the requisite claim information in a non-standard form, but that relief is limited to documents filed before the expiration of the applicable bar date. See In re Lehman Bros. Holding, 433 B.R. 113, 121-22 (Bankr. S.D.N.Y. 2010), aff'd 445 B.R. 130 (Bankr. S.D.N.Y. 2011).

Applying these standards here, there is nothing Mr. Bryant has done that would qualify as an informal proof of claim. While he states in his motion that he was engaged in mediation with the debtors, nothing related to that process resulted in a bankruptcy filing that would have given the debtors notice of the claim. Therefore, the Court finds that the movant has not filed an informal proof of claim.

For all these reasons, the Court finds that Mr. Bryant received adequate notice of the bar date and has failed to demonstrate that his late filed claim was a product of excusable neglect. Accordingly, the Court denies the motion. The Court sympathizes with Mr. Bryant's circumstances and appreciates his efforts at representing himself, and I will note again that I thought he did a fine job of representing

himself. But as a Judge, I am required to apply the law even if it means that I must often be the bearer of bad news. I will enter an order that is consistent with this bench ruling.

(II) LAWRENCE M. MEADOWS

Moving on to the other matter, before the Court is the objection of the debtors to proofs of claim numbered 13478, 13788 and 13865, which were filed by Lawrence M. Meadows, as well as the response of Mr. Meadows to that objection. See ECF Nos. 11840 and 11919.

The debtors' objection has essentially two parts. The debtors first object to Mr. Meadows's original proof of claim for long-term disability benefits, arguing that they have prevailed on these issues in federal court proceedings in Florida, and the United States Court of Appeals for the Eleventh Circuit.

Second, the debtors object to Mr. Meadows's amended proofs of claim. Debtors argue that these amended proofs of claim are untimely because they were filed months after the bar date order in these bankruptcy cases, and that the additional relief sought in these amended proofs of claim does not relate back to the one timely filed claim or to anything else.

For the reasons that I will explain, the debtors' objection is granted.

The background to this present dispute is complicated. Mr. Meadows is a former American Airlines pilot

and received long-term disability benefits from 2004 through December of 2007 when those benefits were terminated. See Objection, ¶ 11; Meadows's Response, ¶ 1. That termination was upheld in an administrative appeals process with American's Pension Benefits Administrative Committee on June 10, 2008. See Objection ¶ 12. Later, Mr. Meadows was placed on unpaid sick leave status, and was ultimately terminated from his employment at AMR on October 24th, 2011. See Meadows' Response ¶ 3; Objection ¶ 15.

Mr. Meadows commenced various proceedings and lawsuits in connection with both the termination of his long-term disability benefits and the termination of his employment with American Airlines. A brief description of some of these cases is necessary to understand the objection now before the Court.

The first and most relevant of these proceedings relates to the termination of Mr. Meadows's long-term disability benefits. In 2008, Mr. Meadows sought a review of the termination of his disability benefits via the administrative appeals process with the Pension Benefit Administration Committee (the "PBAC"). The PBAC issued a final denial of disability benefits in June of 2008. See Objection ¶ 12.

In July of 2010, Mr. Meadows filed a lawsuit against the debtors, the PBAC, and American's Pilot Retirement Benefit

Program. That lawsuit was filed in the United States District Court for the District of Florida, seeking recovery of long-term disability benefits. That case was Case No. 1:10-cv-22175 and I will refer to that generally as the "ERISA action" as it was a complaint for disability benefits.

In 2011, the Florida court granted summary judgment in favor of American concluding that "based on the facts, the language of the plan, and the relevant medical records, the Court finds that even if Mr. Meadows's termination of benefits could be regarded as a de novo wrong, the decision was not arbitrary and capricious and thus, must be affirmed." See Meadows v. American Airlines, 2011 U.S. Dist. LEXIS 30839 at *67 (S.D. Fla., Mar. 24, 2011).

Mr. Meadows appealed that ruling to the Eleventh Circuit, which affirmed the Florida court's ruling. See Meadows v. American Airlines, Inc., 520 F. App'x 787 (11th Cir. 2013).

In March of 2014, Mr. Meadows filed a motion with the Florida District Court to reconsider its March 2011 decision under Rule 60(b) of the Federal Rules of Civil Procedure. See 10-CV-22175, Dkt. 89. That motion was denied by the Florida District Court on May 14, 2014. See id. at Dkt. 94.

That information described Mr. Meadows's first relevant proceeding. The second relevant proceeding of Mr. Meadows is the so-called SOX action, with the term SOX

referring to the Sarbanes-Oxley Act. That action began September 12, 2011, when Mr. Meadows filed a complaint with the Occupational Safety and Health Administration of the United States Department of Labor ("OSHA"). That complaint alleged that the debtors retaliated against him for reporting corporate fraud by threatening to terminate his employment.

As the Department of Labor's investigation of such matters is not covered by the automatic stay, the matter moved forward. See 11 U.S.C. § 362(b)(4).

In December of 2012, the Secretary of the Department of Labor found that there was no reasonable cause to believe that the debtors violated the statute. See Debtor's Reply, ¶ 7. Then in February of 2013, Mr. Meadows administratively appealed the Department of Labor's decision and the matter was then assigned to an administrative law judge. That matter is currently pending.

Mr. Meadows's third relevant proceeding is so-called Grievance 12-011. In that grievance, Mr. Meadows sought to grieve the "improper assertions and actions" with respect to his employment status, seniority and discharge. Obj. Ex. B, Grievance 12-011. Mr. Meadows' request for grievance was made pursuant to Section 21 of the relevant collective bargaining agreement that he was employed under between the pilots and the debtors.

The crux of Mr. Meadows's complaint appears to be

that he was never contacted by nor received a formal notice from any supervisor with respect to his employment status, seniority, or discharge. In addition, the grievance referenced the Americans with Disabilities Act, as well as his status as a federal whistleblower under the Sarbanes-Oxley regulations.

On July 13, 2012, the Allied Pilots Association (the "APA"), which is the collective bargaining representative of Mr. Meadows, filed its own proof of claim, and that proof of claim is number 8331. That proof of claim included Mr. Meadows's Grievance 12-011, as well as many other grievances by many other employees.

The APA subsequently entered into a settlement agreement with the debtors that extinguished all claims, including APA Claim 8331, with the exception of very specific grievances. See Obj. ¶ 26, citing ECF No. 5800.

Mr. Meadows's Grievance 12-011 was one such grievance that was excluded from the APA settlement. See ECF No. 5626 at 516. In March of 2014, the APA filed an amended claim that excluded Grievance 12-011 from the list of grievances that were carved out of the settlement. See Obj. ¶ 27; Claim 13866. In sum, the APA amended claim operated to extinguish Grievance 12-011 by including it in the settlement, or at least that is how it appears.

At the hearing on this matter, counsel for the APA summed up the matter as follows: "The APA included Grievance

12-011 among the list of 37 that were excepted from the overall settlement on the equity side. The grievance then moved through the process up to the pre-arbitration conference, in which the parties made one final attempt to resolve grievances and decide which go to arbitration and which don't. Unfortunately, no resolution was possible at which point the APA decided, and in August of 2013, when it was decided, it informed Mr. Meadows that it would not be taking this grievance to arbitration because it did not allege a violation that the arbitrator would have any jurisdiction over. At that point, the process ended." Hr'g. Trans. 70:16-71:2.

The debtors characterize Mr. Meadows's Grievance 12-011 as addressing whether the company acted properly in terminating Mr. Meadows's employment under the terms of the collective bargaining agreement. Hr'g. Trans., Apr. 17, 34:20-24. The debtors note that Mr. Meadows now has a pending lawsuit to compel arbitration of that same grievance. Id. at 36:17-18.

Counsel for AMR confirmed that the process of fully litigating Grievance 12-011, including this mediation arbitration, is unaffected by the debtors' objection. In other words, Grievance 12-011 is on a "separate track, and the debtors are not asking for any relief as to Mr. Meadows's ability to continue with that grievance, including dealing with the union regarding the grievance." Hr'g. Trans. 37:3-12.

Instead, the Grievance will run its process under the union and the CBA process outside this Court. Id. at 37:13-19.

Before moving on to the events of the bankruptcy case, I just wanted to note that Mr. Meadows has also filed other actions that were not included in the original or amended claims. Those include an SEC whistleblower complaint, alleging security fraud, and a third grievance based on a right of special assignment to a non-flying position. Those proceedings are not relevant for purposes of this ruling, but the Court mentions them only to flush out the extensive litigation that has occurred and is still occurring involving these parties.

Turning to the relevant events in these bankruptcy cases, the debtors filed for relief under the Bankruptcy Code in November of 2011. As I explained in the other bench ruling this morning, the Court entered a bar date order establishing July 16, 2012, as the bar date in these bankruptcy cases. See ECF 2609. The bar date order clearly states that failure to file a timely proof of claim will forever bar a party from asserting such a claim against the debtors and their Chapter 11 estates. See ECF No. 2609, Annex I.

On March 20, 2012, Mr. Meadows filed his original proof of claim for $470,340, with $338,000 listed as priority and the balance as an unsecured claim. See Claim No. 1916. This original claim was for “pilot long-term disability payments.” No supporting documentation was submitted. See

Obj. Ex. A at 1.

This was the only claim filed by Mr. Meadows before the bar date. After the bar date, Mr. Meadows filed three additional proofs of claim (collectively, the "Amended Claims"). The first Amended Claim was filed approximately eight months after the bar date in March of 2013. See Claim 13478. Claim 13478 sought "at least $500,000" for long-term pilot disability, and "EECO charges including, but not limited to wrongful termination and discrimination, SOX claim, et cetera." Id. Attached to the claim was a list of the proceedings and various lawsuits of Mr. Meadows, including various EEOC charges, the SOX action, the appeal of the determination by the PBAC and Grievance 12-011. See Meadows's Resp. ¶ 11. Of the $5 million sought, $338,900 requested priority treatment, leaving the balance of $161,100 as an unsecured claim.

On January 24, 2014, approximately eighteen months after the bar date, Mr. Meadows filed the second Amended Claim, number 13788, which was identical to Claim 13478, except for adding one additional proceeding, Grievance 13-064, which is based on Mr. Meadows's removal from American's seniority list. That grievance was filed in October of 2013, heard in February of 2014, and denied on March 26, 2014. See Meadows's Resp. ¶¶ 45-48. Mr. Meadows has indicated that the APA refuses to appeal Grievance 13-064. He will seek to compel arbitration.

Two months later, Mr. Meadows filed the third Amended Claim, number 13865, which corrected the amount of the claim seeking priority status. The idea was that Claim Number 13788 was filed as a wholly unsecured claim.

Subsequent to these events, on October 21, 2013, the Court entered an order confirming the Debtors' Fourth Amended Joint Chapter 11 plan. ECF 10367. The plan went effective December 9, 2013, with the legal effect of discharging any and all prepetition claims that arose against the Debtors, except for those preserved by a properly filed proof of claim. See id.

The legal standard here is straightforward. A correctly filed proof of claim constitutes prima facie evidence of its validity and the amount of the claim. To overcome this presumption, the objecting party must provide evidence which it believes would refute at least one of the allegations essential to the claim. See In re Riley, 245 B.R. 768, 773 (2d Cir. BAP 2000). Upon such objection, the burden then shifts back to the claimant to produce additional evidence to prove the validity of the claim by a preponderance of the evidence. See In re Rescap, 507 B.R. 477, 490 (Bankr. S.D.N.Y. 2014) (collecting cases).

Bankruptcy Code Section 502(b)(1) provides that claims may not be allowed to the extent that such claims are unenforceable against the debtor and the property of the debtor

under any agreement or applicable law. See id.

The Debtors argue that the long-term disability claim asserted has been fully adjudicated and that it has been determined that the debtors have no liability with respect to those claims. See Obj. ¶ 30.

In his papers and at the hearing on the objection, Mr. Meadows argued that the Eleventh Circuit's affirmation of the summary judgment ruling in favor of American Airlines was "not finally adjudicated" within the meaning of the Bankruptcy Code, given his then pending motion for reconsideration under Rule 60(b) of the Federal Rules of Civil Procedure. The Rule 60(b) motion for reconsideration was then pending in front of the Florida District Court. The parties at the hearing agreed to wait for the final decision on the Rule 60(b) motion before having the court rule on the long term disability component of Mr. Meadows's claim.

On May 14, 2014, the Florida Court entered its ruling denying the motion for reconsideration. ECF No. 12017, Ex. A. Given this latest ruling and other prior rulings of the Florida District Court and the Eleventh Circuit, it is clear that the issue of the termination of long-term disability insurance has been fully litigated and resolved by the Florida District Court and the United States Court of Appeals for the Eleventh Circuit. In those proceedings, the Florida District Court and the Eleventh Circuit ruled in favor of the Debtors on that

issue. Given that undisputed fact, the Court agrees with the debtors' objection and finds it should be granted with respect to the long-term disability issue, which is the subject of the original proof of claim, but which is also mentioned in the Amended Claims.

The Court turns now to the second issue: whether additional matters in the Amended Claims filed in March of 2013, and January and March of 2014, should be barred as untimely. These Amended Claims were filed eight, eighteen and twenty months after the bar date respectively.

Courts in the Second Circuit apply a two-prong test to determine whether to permit a post-bar-date amendment to a timely filed proof of claim. See In re Barquet Group, Inc., 477 B.R. 454, 464 (Bankr. S.D.N.Y. 2012).

The first prong, known as the relation-back requirement, asks whether there was an assertion of a similar claim or demand evidencing an intention to hold the estate liable. Id. (quoting In re Enron Corp., 419 F.3d at 133). This prong will be satisfied if the amendment: 1) corrects a defect of form in the original claim; 2) describes the original claim with greater particularity; or 3) pleads a new theory of recovery based on the facts set forth in the original claim. See In re Univo, 2012 Bankr. LEXIS 1089, at *7 (Bankr. S.D.N.Y. Mar. 14, 2012) (citing In re Enron Corp., 419 F.3d at 133).

Keeping in mind the standards applicable under Rule

15 of the Federal Rules of Civil Procedure for amendment, "the central inquiry is whether adequate notice of the matters raised in the amended pleading has been given to the opposing party within the statute of limitations by the general fact situation alleged in the original pleading." See Slayton v. Am. Express Corp., 460 F.3d 215, 228 (2d Cir. 2006). In Slayton, the Second Circuit applied that principle and considered whether the amendments were a "natural off shoot" of the original pleadings. Id. at 228-29.

"Courts must subject post-bar-date amendments to careful scrutiny to assure that there [is] no attempt to file a new claim under the guise of an amendment." Midland Cogen.'l Venture Ltd. P'ship v. Enron Corp. (In re Enron Corp.), 419 F.3d 115, 124 (2d Cir. 2005) (quoting Integrated Res., Inc., 157 B.R. 66, 70 (S.D.N.Y. 1993) (internal citations omitted).

Only if the amendment relates back, meaning the first prong is satisfied, will the Court then apply the second prong, which is to examine whether permitting the amendment would be equitable. See In re Enron, 419 F.3d at 133. Under the equitable prong, three factors must be considered. First, whether the debtor or its creditors would be unduly prejudiced by the amendment; second, whether the creditors would receive a windfall from the disallowance; and third, whether the claimant acted in good faith and can justify the delay. Id.

Turning to the relation-back to the original claim,

the debtors argue that the Amended Claims do not satisfy the requirements for relation-back. They also claim that permitting the amendments would not be equitable. The debtors note that the original claim does not arise from the same set of facts as the Amended Claims. Specifically, the debtors point out that the allegations pertinent to the SOX and the EEOC actions occurred subsequent to the facts that give rise to the ERISA claim, and therefore, cannot relate back.

As counsel for AMR correctly observed at the hearing, "The original claim was based on a denial of long-term disability claims that happened in 2007. The new claims and late-filed amendments relate to actions that occurred in 2011 and forward." Hr'g. Trans. 32:12-15. Moreover, the new claims seek an amount that is more than ten times what was asserted in the original claim: $500,000 versus $5 million. And, the original claim failed to include any details of supporting documentation that would put the debtors on notice that claims beyond the simple long-term disability benefits were being asserted. More specifically, the original claims specify the basis for the $470,000 claim only as "long-term disability benefits." The parties agree that the reference to long-term disability benefits in that claim refers to the ERISA action that was pending in the Florida District Court, and eventually in front of the Eleventh Circuit.

Mr. Meadows disagrees with this conclusion,

contending that the original claim and new claims were all based on the same set of facts: the denial of disability benefits, the subsequent termination and the removal from the pilot seniority lists.

But the mere framing of the issue that way explains why the Court disagrees. Namely, the original claim dealt only with the denial of the disability of benefits, and nowhere mentioned termination or removal from the pilot seniority list. Mr. Meadows's assertions are also undercut by his concession that the original claim did not preserve his EEOC or his SOX claim. Hr'g. Trans. 59-60; Obj. ¶ 39. (noting Mr. Meadows's concession in a letter that "his SOX and EEOC claims were not preserved in his original proof of claim."). In fact, in a letter to the APA, Mr. Meadows stated, "My federal SOX and EEOC claims are not preserved by original proof of claim." He went on to say that his "SOX and EEOC claims were only preserved with the bankruptcy court, as part of my preserved APA Grievance 12-011." Hr'g. Trans. 59-60.

At the hearing on this objection, the Court asked counsel for Mr. Meadows to confirm that the admission was a limited admission and preserved Mr. Meadows's right that the APA grievance relates back. But, it does seem to concede that it was not pled or covered by the first claim. Counsel for Mr. Meadows responded "that's correct." Id.

Now, the Court turns to Mr. Meadows's reliance upon

the rights preserved under Grievance 12-011 as a basis for permitting his Amended Claims to go forward. The debtors do not challenge the ability of Mr. Meadows to continue pursuing his potential remedies under Grievance 12-011, and the debtors include a provision to that effect in their proposed order on this objection. See ECF No. 11840, Ex. F. ("Notwithstanding the foregoing, Mr. Meadows shall be permitted to arbitrate Grievance 12-011 before the System Board to the extent that such arbitration is limited in scope to claims involving interpretation of the [collective bargaining agreement] and provides remedies, if any, and if appropriate that are customary in the grievance procedures created by the Railway Labor Act."); see also Obj. ¶ 40 ("Furthermore, the AP claim only preserves one of Mr. Meadows's claims, i.e., Grievance 12-011.").

However, the debtors argue that the limited scope of the grievance under the relevant collective bargaining agreement does not provide a springboard for Mr. Meadows to sue in this Court with respect to claims that were not presented in his original proofs of claim. See Hr'g. Trans. 37:21-25.

The Court agrees with the debtors on this issue for at least two independent reasons. First, the grievance process covers only matters that are so-called "minor disputes" regarding interpretation of the operative collective bargaining agreement. This fact was confirmed by Mr. Meadows's union

representative, the APA at the hearing on this objection, and by case law under the Railway Labor Act, which governs the collective bargaining agreement involving Mr. Meadows, and therefore, this grievance process. See Hr'g. Trans. 70:8-9 (APA's counsel stated, "The purpose of a grievance is to challenge an alleged violation of the contract."); see also Allied Pilots Ass'n v. AMR Corp., (In re AMR Corp.), 471 B.R. 51, 58 (Bankr. S.D.N.Y. 2012) (discussing the Railway Labor Act, as well as the concept of "minor disputes.").

Given the limited scope of the grievance to the collective bargaining agreement matter, it follows that Grievance 12-011 cannot somehow preserve Mr. Meadows's right to pursue the far more wide-ranging statutory claims set forth in the Amended Claims. See generally Hawaiian Airlines v. Norris, 512 U.S. 246, 256 to 58, 1991 and Whitaker versus American Airlines, Inc., at 285 F.3d 9940 at 946, an Eleventh Circuit case from 2012 (both discussing "minor disputes" and what can be grieved under the Railway Labor Act, along with the relevant processes for such grievances).

As I said, there is also a second independent reason to agree with the debtors. The decision-maker for Grievance 12-011 will ultimately decide what is appropriately within the scope of that grievance. Whatever the decision-maker in that grievance permits to go forward in the grievance process thus is properly part of the grievance. What the decision-maker

decides should not be part of the grievance is not. This, of course, is all subject to whatever appellate rights the parties have arising out of the grievance process. But the Court is well aware that the decision-maker in this grievance process is in a far better position than this Court to determine the permissible scope of the grievance procedures.

At the end of the day, therefore, Mr. Meadows will end up with whatever rights in the grievance process he should have by virtue of Grievance 12-011, which is all that was preserved by virtue of the APA settlement and reservation of rights.

Finally, the Court rejects Mr. Meadows' argument that these Amended Claims should be permitted as late filed, based on the concept of excusable neglect, which is encompassed in Federal Bankruptcy Rule 9006(b)(1), which empowers a Court to permit a late filing based on excusable neglect. See generally, Pioneer Inv. Servs. v. Brunswick Assocs., 507 U.S. 380, 382 (1993). The claimant bears the burden of proving excusable neglect. See In re Enron Corp., 419 F.3d at 121.

Again, although excusable neglect is not defined in the Bankruptcy Code, the Supreme Court in the Pioneer case recognized that the analysis parallels the equitable test for amendments. See In re Calpine Corp., 2007 U.S. Dist. LEXIS 86514, at *14 (S.D.N.Y. 2007). As set forth in more detail in today's prior ruling regarding Mr. Bryant, a bankruptcy court

should consider the danger of prejudice to the debtor, the length of delay, the potential impact on judicial proceedings, the reason for the delay, including whether it was in the reasonable control of the movant, and whether the movant acted in good faith. See Pioneer, 507 U.S. at 395-96.

The justification for delay is weighted most heavily. See In re Enron Corp., 419 F.3d at 122-23. As noted earlier, the Second Circuit takes a "hardline in applying the Pioneer test." See In re Enron Corp., 419 F.3d at 122.

Mr. Meadows points to his prior counsel to justify the delay in filing the new claims. While the Court sympathizes with Mr. Meadows's frustration with his former counsel, the Court rejects Mr. Meadows's argument.

As Mr. Meadows's papers concede, the case law is clear that an attorney's mistake does not ordinarily or even necessarily constitute excusable neglect. See Pioneer, 507 U.S. at 396-97 (noting that claimants are responsible for the acts and omissions of their counsel, and that inadvertence, ignorance of the rules, and mistakes concerning the rules do not usually constitute excusable neglect. See also In re North New England Tel. Op's. LLC, 540 B.R. 372, 381-82 (Bankr. S.D.N.Y. 2014) aff'd sub nom In re N. New England Tel. Op's. LLC, 09-16365, 2014 WL 3952925.

Where, as here, the filing deadline is entirely clear, a party claiming excusable neglect will, in the ordinary

course, lose under the Pioneer test. See CVI GVF (LUX) MASTER S.A.R.L. v. Lehman Bros. Holdings Inc., 445 B.R. 137, 141 (S.D.N.Y. 2011). Mr. Meadows has presented nothing to justify a departure from this ordinary rule. Indeed the additional Pioneer factors in this case only further support this result. There has been a significant delay in filing the Amended Claims. That delay was eight months, eighteen months, and twenty months respectively, after the bar date. See In re AMR Corp., 492 B.R. 660, 667 (Bankr. S.D.N.Y. 2013) (finding three months to be a substantial delay).

In evaluating delay under Pioneer and its progeny, courts also consider whether the plan of reorganization has been filed or confirmed, and consider the delay in the context of the proceeding as a whole. See In re Global Aviation Holdings, Inc., 495 B.R. 60, 66 (Bankr. E.D.N.Y. 2013).

Here, we are approaching the one-year anniversary of the confirmation of the plan. The case law recognizes that there is a danger in opening the floodgates to potential claimants at such a late juncture. See In re Enron Corp., 419 F.3d at 132, n.2 (2d Cir. 2005).

Moreover, the debtors set forth an additional basis for prejudice here; namely, the settlement between the debtors and the APA concerning a variety of matters, including grievances such as Mr. Meadows's. The debtors note that the settlement at issue in this case would be partially undone by

permitting the late-filed claims here. That is an additional basis for prejudice, but is an independent basis, and my ruling would be the same without it.

By considering all the Pioneer factors, the Court concludes that there is not a sufficient basis to allow the Amended Claims under the excusable neglect standard. For all those reasons, the Court will grant the objection of the debtors to proofs of claims 13478, 13788 and 13865, as set forth in the debtors' objection.

I will sign the order consistent with this bench ruling.